

HCR63

From: [Kevin Carney](#)
To: [EDH Testimony](#)
Subject: HCR 63, Hearing Friday, April 24, 2009 at 9:05AM
Date: Thursday, April 23, 2009 9:09:21 AM

Dear Chair Sakamoto, Vice Chair Kidani and Members of the Senate Committee on Education and Housing:

EAH Housing strongly supports HCR 63 which urges the Governor to include Kukui Gardens in the state's list of shovel ready projects in the President's Stimulus Package. EAH has been working to preserve the affordability of Kukui Gardens since the property was first announced as being up for sale by the previous owners, Kukui Gardens Corporation, in early 2006. Kukui Gardens consists of 857 rental units. Working with the Kukui Gardens Resident Association, Faith Action for Community Equity (FACE), the Governor's office, Federal and State Legislators, Honolulu City Councilmember Rod Tam and our partners Devine & Gong, we were able to reach a compromise whereby the State of Hawaii purchased the land under 45% of the property and sold the improvements to the EAH, Devine & Gong Partnership. We were able to preserve 389 of the 857 units via this transaction and we refer to this portion of the property as Kukui Gardens Makai. The remaining portion was sold to Carmel Properties who will gradually convert these units to market rate rentals over the next 3 years. We refer to this portion of the property as Kukui Gardens Mauka.

The sale of the Makai improvements included a requirement to rehabilitate the property at an estimated cost of \$17,000,000 which was to be financed in part by the sale of State and Federal Low Income Housing Tax Credits. This work was to have commenced in the summer of 2008 but has been delayed due to the evaporation of the Low Income Housing Tax Credit market.

We have our building permit and are ready to start work once funding is provided. We believe this meets the "Shovel Ready" definition for qualification of stimulus package funds. We would appreciate your support in helping us move forward in improving the lives of our Kukui Gardens Makai residents and at the same time stimulating our local economy with jobs for our construction industry. Thank you.

Sincerely yours,
Kevin

Kevin R. Carney, (PB)
Vice President, Hawaii
EAH Inc.
841 Bishop Street, Suite 2208
Honolulu, Hawaii 96813

Phone: 808-523-8826
Webpage: <http://www.eahhousing.org>